SUMMARY

The Office of Fuels Programs prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports with the OFP. This report is for the first quarter of 1996 (January - March).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the five most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price information pertaining to gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

First Quarter Highlights: Natural gas imports from Canada totaled 729 Bcf for the quarter, approaching the record level of 731.5 Bcf set in the first quarter of 1995. Two new long-term Canadian import contracts were activated, totaling 22.5 MMcf/day or 8.2 Bcf annually. A third of the new long-term import volumes (7.5 MMcf/day) will supply a local distribution company in Washington state. The remaining volumes (15 MMcf/day) will go to a marketer for resale to various customers in the Midwest. Exports to Mexico decreased and imports from Mexico increased, compared with the previous quarter. Exports to Canada increased compared to last quarter.

Notes Regarding This Report:
• This report introduces a new table (see Attachment B, page 8). This new table lists by month the number of active long-term import contracts, the volume imported under these contracts, and the weighted average price of these supplies. The data distinguish between imports from Canada and Algeria.
• Gas data on U.S.-Mexico trade shown in this report reflect company filings and consultations with Pemex.
• Revisions have been made to the 1995 price data for Tenaska Gas Company's long-term contracts with Husky Oil Operations, Ltd. and Petro-Canada Ltd.

During the first three months of 1996, data indicate gas imports remained constant compared to the first three months of 1995 (740.1 vs. 739.6 Bcf). Canadian imports remained constant (729 vs. 731.5 Bcf); Mexican imports increased over 1,000 percent (3.5 vs. 0.3 Bcf); and Algerian imports decreased 2 percent. During the same time period, total exports increased by 11 percent (46.1 vs. 41.4 Bcf). Exports to Canada increased 230 percent (22.8 vs. 6.9 Bcf) and exports to Mexico decreased 64 percent (6.4 vs. 17.8 Bcf). Exports to Japan increased 1 percent (16.8 Bcf vs. 16.7 Bcf).

Long-term Canadian imports for the quarter totaled 356.6 Bcf, representing a 2 percent increase over the first quarter of 1995. The average price of these supplies was $2.15/MMBtu, which was 27 cents or 14 percent higher than the preceding quarter. Distrigas Corporation imported 7.6 Bcf of LNG at $2.63/MMBtu under a long-term contract. Pan National had no imports of LNG.

During the second quarter, 109 companies imported 375.9 Bcf of natural gas under short-term arrangements. This volume represents a 2 percent decrease compared with the first quarter of 1995. Of this total, 372.4 Bcf was imported from Canada and 3.5 Bcf was imported from Mexico. No LNG was imported under short-term arrangements. The average price of the Mexican imports was $2.14/MMBtu.

The average price of Canadian imports under short-term import arrangements was $1.74/MMBtu, compared with $1.33/MMBtu during the preceding quarter. Approximately 39 percent of the short-term sales were made at Eastport, Idaho, at an average price of $1.12/MMBtu; 17 percent at Sumas, Washington, at $1.18/MMBtu; 16 percent at Port of Morgan, Montana, at $1.76/MMBtu; 13 percent at Noyes, Minnesota, at $ 2.50/MMBtu; 5 percent at Niagara Falls, New York, at $3.39/MMBtu; 4 percent at Waddington, New York, at $3.53/MMBtu; 3 percent at Grand Island, New York at $3.57/MMBtu; and 3 percent at various other entry points, at $2.21/MMBtu.

In addition, 27 companies exported a total of 29.3 Bcf under short-term arrangements. Of this total, 17 companies exported 22.8 Bcf of gas to Canada, at an average price of $3.04/MMBtu. Eleven companies exported 6.5 Bcf to Mexico at an at an average price of $1.83/MMBtu.

This quarter's feature report is a more in-depth review of gas import/export activity for 1995. OFP invites ideas from the public on future topics dealing with North American natural gas import/export trade. Such suggestions should be left on OFP's electronic bulletin board.

The quarterly report and any future revisions will be resident on OFP's Electronic Bulletin Board at (202) 586-7853. All general queries concerning this report should be made to Yvonne Caudillo at (202) 586-4587.